

FILED

DEC 28 2006

**BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA**

**NEBRASKA DEPARTMENT
OF INSURANCE**

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

GLOBE LIFE AND ACCIDENT
INSURANCE COMPANY,

RESPONDENT.

CONSENT ORDER

CAUSE NO. C-1604

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Joel F. Green and Globe Life and Accident Insurance Company ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to NEB. REV. STATS. §§ 44-101.01, 44-135 and 44-303 et seq. (Reissue 2004). Said jurisdiction and control have been present at all times material hereto.

2. Respondent is a Delaware domiciled insurer licensed to conduct business in Nebraska as a foreign insurer.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Globe Life and Accident Insurance Company, Cause Number C-1604 on October 17, 2006. A copy of the petition was served upon the Respondent Agent, Larry Hutchison, at 3700 S. Stonebridge Drive, McKinney, Texas 75070 by certified mail, return receipt requested.

2. Respondent violated 210 NEB. ADMIN. R. & REG. 50-005.01 and 210 NEB. ADMIN. R. & REG. 50-006.02 as a result of the following conduct:

- a. On or around April 14, 2005, Corrine E. Bryant, a Nebraska resident, submitted an enrollment form for life insurance coverage to Respondent. On or about September 7, 2006, Scott M. Zager, investigator for Petitioner, obtained from Respondent copies of the advertising materials contained with the enrollment form Ms. Bryant received and submitted to Respondent. The aforementioned advertising materials contained repeated references to Respondent's "guaranteed life insurance policy" and "guaranteed insurance protection." Use of these terms has the tendency of misleading and deceiving purchasers to the fact that both coverage and rates are guaranteed. The advertisement includes no such counter-clarification that Respondent's insurance coverage itself is not guaranteed.

3. Respondent violated 210 NEB. ADMIN. R. & REG. 50-006.03 as a result of the following conduct:

- a. On or around April 14, 2005, Corrine E. Bryant, a Nebraska resident, submitted an enrollment form for life insurance coverage to Respondent. On or about September 7, 2006, Scott M. Zager, investigator for Petitioner, obtained from Respondent copies of the advertising materials contained with the enrollment form Ms. Bryant received and submitted to Respondent. The aforementioned advertising materials indicated that a solicited individual should "[j]ust answer three Yes/No health questions. There is no unnecessary paperwork. There's no medical or physical exam." The advertisement did not contain language indicating in effect that the issuance of the policy may depend upon the answers to the health questions set forth in the application.

4. Respondent was informed of its right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving the right to a public hearing, Respondent also waives the right to confrontation of witnesses, production of evidence, and judicial review.

5. Respondent admits the factual allegations stated in Paragraphs 2 and 3.

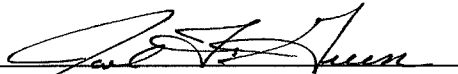
CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of 210 NEB. ADMIN. R. & REGS. 50-005.01, 50-006.02 and 50-006.03 and is subject to disciplinary action pursuant to 210 NEB. ADMIN. R. & REGS. 50-011 and NEB. REV. STAT. § 44-1529 (Reissue 2004).


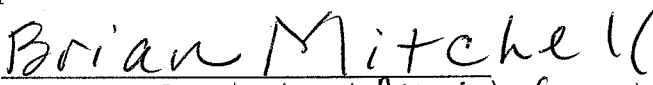
CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondent, Globe Life and Accident Insurance Company, that Respondent shall pay an administrative penalty in the amount of one-thousand five-hundred dollars (\$1500.00), due within 30 days after the Director of Insurance or his designee approves and signs this consent order. It is also ordered by the Director of Insurance and agreed by Respondent, Globe Life and Accident Insurance Company, that Respondent shall make any necessary changes to its advertisement materials to ensure compliance with Nebraska statutory and regulatory guidelines, and thereafter shall submit to Petitioner, for a period of six months beginning on March 1, 2007 and ending on August 31, 2007, all advertising materials disseminated in the state of Nebraska. The Director of Insurance and Respondent mutually agree that Respondent shall not be required to provide any advertising materials to Petitioner prior to the actual dissemination of said materials in this State.

If Respondent fails to pay the amount required or submit advertising materials as specified under this consent order, additional administrative action shall be taken by the Petitioner which may include revocation of Respondent's Nebraska certificate of authority. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his/her signature below.


Joel F. Green, #22900
Attorney for Petitioner
941 "O" Street, Suite 400
Lincoln, NE 68508
(402) 471-2201

12-27-2006
Date


Globe Life and Accident Insurance Company,
Respondent
By: 
Senior Vice President and Associate General Counsel

Dec 15, 2006
Date

State of Oklahoma)
County of Oklahoma) ss.

On this 15th day of December, 2006, an authorized representative of Globe Life and Accident Insurance Company personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his/her voluntary act and deed.

Diana L. Sogor 02020217
Notary Public

My commission expires: 12/14/10

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Globe Life and Accident Insurance Company, Cause No. C-1604.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. Tim Wagner

L. TIM WAGNER
Director of Insurance

12/28/06
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent's Registered Agent, Larry Hutchison, 3700 S. Stonebridge Drive, McKinney, Texas 75070, by certified mail, return receipt requested on this 28th day of December, 2006.

Tracy A. Bruhn